

What is the value of a butler?

We may have preconceived notions of the typical role of a butler and visualizations of who might fit the bill through fictional personae such as Jeeves, Batman's loyal Alfred and Anthony Hopkin's portrayal in the film, *The Remains of the Day*. But are those ideas accurate? Professor Julia Prats and case writer Jordan Mitchell investigate the fine art of buttlng in the case "Ivor Spencer: Putting a Price on Knowledge." Since 1981, Ivor Spencer has trained and placed over 450 butlers in mansions for wealthy notables such as the Queen of England, Prince Charles, King Hussein of Jordan, the Crown Prince of Bahrain and a spate of entertainment icons, sports heroes and oil barons.



April 16, 2007

The name "butler" originates from the word *bouteillier* in *langue d'oïl* (old French). The designation was assigned to the "bottle bearer"; essentially, the person responsible for the wine cellar. By the early 20th century, butler tasks included all food and beverage services. However as the British aristocracy fell upon hard times and reduced domestic staff, the butler's role expanded and he became a full-fledged manager of the house.

Today's butlers have multifarious tasks including overseeing all staff (ranging from three to over 100), managing several homes and suites, chauffeuring the "master" and his or her guests, planning elaborate holidays, procuring goods from luxury cars to fine wines, and contracting personal services such as manicurists and personal trainers. Indeed, the butler's role has billowed to so many tasks that several training schools now refer to the job as a "personal assistant," "household executive" or "lifestyle assistant." As one former butler describes: "It's a peculiar profession. You are not exactly an employee and not exactly part of the family. But the golden rule of being a butler is that you don't actually "see" anything."

Traditionally, butlers were part of a much larger in-house staff and had four apprentices

called footmen. When the butler died, the most senior footman assumed the butler title. When English homes could not continue supporting such a large structure, they eliminated the four footmen. Thus, when the butler died, no one in the house was sufficiently trained to take on the role. Ivor Spencer came across this discovery when he tried to find a suitable English butler for a television producer's Beverly Hills mansion. Spencer was flabbergasted when he could not find anyone trained to run a house from top-to-bottom. He finally found a waiter from London and instructed him in what he believed to be the essentials of offering "no fuss" in-house service.

Even though Spencer's upbringing was humble, Spencer himself had learned the essentials of service, first starting as a chef at an upscale London hotel, and later becoming a toastmaster (master of ceremonies). Spencer had gone on to become one of the most recognized toastmasters in England, having organized over 1,000 royal events in his career. He even received a MBE (Member of the Order of the British Empire) for his dedication to the toastmaster profession and butler training.

According to Ivor Spencer, potential butlers can come from all walks of life and all cultures. Spencer uncovers that in the real world of butting, few actually speak with patrician lips or plummy Oxford English accents. While the occupation continues to be largely male-dominated, some households actively seek out female butlers. Above all, Spencer believes that the characteristics of a good butler can be distilled down into the three essential qualities: loyal, discreet and flexible.

Currently, Ivor Spencer's six-week training program for butlers and personal assistants largely involves story telling and role-playing. The course costs £5,375 and the syllabus is divided into 96 lessons including lessons on the specifics of laying a table for a luncheon, preparing afternoon tea, cleaning and taking care of antiques, cleaning and placing ashtrays, engaging a band or cabaret and properly ironing a newspaper to avoid ink transfer to the employer's hands.

Throughout his 50-year career, Spencer's knowledge of etiquette and reputation as the premiere butler trainer spawned demands to offer customized butler courses for hotels and corporations. Special hotel courses have taken him to train staff at luxury hotels in the Bahamas, Argentina, Thailand and the U.S and to corporations such as Unilever, Dunhill and British Airways. At one point in the 1980s, Spencer branched out by offering a line of fine spirits and developing an "Ivor Spencer Stamp of Approval" where purveyors of luxury items could license out the Ivor Spencer logo to be placed on their products. He has also been contracted as a spokesperson to promote products, including the air freshener, Renuzit

Fresh'N Dry, which landed him spots on "Late Night with David Letterman" and "The Today Show."

Spencer's collective activities under Ivor Spencer Enterprises Ltd. grew to an all-time high of over £1 million in revenues in 2000. However, after the attacks of September 11th, 2001, the U.S. made visa requirements more stringent, making it more difficult to place foreign butlers on U.S. soil. To add to the situation, Spencer underwent a series of operations on his back, putting him temporarily out of commission to host events and jet-set around the world to train hotel and corporate staff. The result was that 2004's revenues experienced a significant decline.

When Professor [Julia Prats](#) and case writer Jordan Mitchell interviewed Spencer in his home in Dulwich (with his wife preparing salmon sandwiches and tea), his health had been restored and he had returned to hosting events and training hotel staff. At 82 years of age, he was looking to sell the business and believed the biggest opportunity to be in the U.S. After imbibing hours of fascinating stories of a lifetime of interactions with members of the royal family, heads of states and celebrities, two natural questions emerged: What is his business worth?; and, What can business students learn from buttlng? The quick answer to the former may be to look at his company's financial statements. But, with few tangible assets, the value lies in the intangibles such as his name, reputation, network of butlers and the personal touch that he adds to his butler training. The answer to the second lies in tapping into Spencer's 50 years of teaching his own "service concept," and centuries of the buttlng tradition.

More info: The 2006 case [Ivor Spencer: Putting a Price on Knowledge: The valuation of intangibles](#) is available via [IESE Publishing](#).

www.iese.edu/insight